

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number		FOR COURT USE ONLY
Robert E. Hurlbett, CSB #149519 PINSKER & HURLBETT 15 West Carrillo Street Suite 220 Santa Barbara, CA 93101 805-963-9111		<div>FILED</div> <div>APR 29 2002</div>
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA		
In re: JOANNE MARIE SHIFLETT-KANN		CASE NO.: ND01-12335-RR
Debtor(s).		

CONTINUED

NOTICE OF SALE OF ESTATE PROPERTY
FREE AND CLEAR OF LIENS

Sale Date: May 22, 2002		Time: 10:00 a.m.
Location: 1415 State Street, Rm. 201, Santa Barbara, CA 93101		

Type of Sale: ☒ Public: ☐ Private: Last date to file objections: May 8, 2002



Fidelity National Title Company

780 Monterey Street, Suite A • Morro Bay, CA 93442
(805) 771-1920 • FAX (805) 771-1928

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF ORIGINAL DOCUMENT
BY FIDELITY NATIONAL TITLE
ESCROW DIVISION

SALE ESCROW INSTRUCTIONS

Date: March 4, 2002
Escrow No.: 126820-PJ
Escrow Officer: Patty James

Buyer(s) will deposit with escrow an initial deposit in the amount of	\$	2,000.00
Buyer will execute and deliver a new First conventional Deed of Trust		
in the amount of	\$	233,600.00
Prior to the close of escrow, Buyer will hand you the balance of down payment		
(plus closing costs, if applicable) the sum of	\$	56,400.00
TOTAL CONSIDERATION	\$	292,000.00

AND, on or before April 1, 2002, Escrow Holder will be handed additional funds and/or instruments required to enable Escrow Holder to comply with these instructions, which Escrow Holder is instructed to use when in a position to procure/issue a ALTA Homeowner's Policy (10/17/98) coverage form Policy of Title Insurance from Fidelity National Title Insurance Company with a liability of \$292,000.00, covering the following described property located in the County of San Luis Obispo, State of California:

Lots 29 and 30 in Block 43 of the Town of El Moro, in the County of San Luis Obispo, State of California, according to Map thereof recorded in Book 4, Page 80 of Maps in the office of the County Recorder of said County.

SELLER/TRANSFEROR STATES THAT PROPERTY ADDRESS IS:
1278 12th Street, Los Osos, CA 93402

SHOWING TITLE VESTED IN:
Kelvin Malin and Erin Malin, Husband and Wife

FREE FROM ENCUMBRANCES EXCEPT:

1. Current general and special taxes for the fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions restrictions, reservations, easements and rights of way now of record, if any;
5. A First Deed of Trust, to record, securing a note in the amount of \$233,600.00 in favor of a lender of Buyer's choice to be determined during escrow.

PRORATIONS:

Prorate as of Close of Escrow, on the basis of a 30 day month:
- Taxes

CONSUMMATION of this escrow is CONTINGENT UPON THE FOLLOWING:

1. **NEW LOAN:** Buyer obtaining and property qualifying for a new conventional First trust deed loan securing a note in the amount of \$233,600.00 in favor of lender of buyer's choice. Said loan to be at the best prevailing rate and terms. Buyer's signature on lender's documents shall be deemed their approval and acceptance of the terms and conditions of said new loan and Escrow Holder's authorization to comply with lender's requirements.
2. **INSURANCE:** Buyer agrees to provide new hazard insurance policy acceptable to lender and to pay premium for same prior to the close of escrow.
3. **PRELIMINARY REPORT APPROVAL:** The closing of this escrow is contingent upon the Buyer's approval of the preliminary report issued by Fidelity National Title Company dated February 22, 2002, including Covenants, Conditions and Restrictions, if any, on subject property, within 14 days from Buyer's receipt thereof. Such approval to be given to Escrow Holder in writing.

ADDITIONAL INSTRUCTIONS:

Continued on following page

Initials:  

EXHIBIT A

Date: March 4, 2002
Escrow No: 126820-PJ

4. **TERMITE CLAUSE-SELLER PAY SECTION I ITEMS ONLY:** Seller shall furnish to Buyer, at Seller's expense, a current Structural Pest Control Inspection Report from [redacted] COMPANY, a licensed structural pest control operator, DATED MAY 24, 2001, covering all visible and accessible area of the subject property. Seller will further at Seller expense and cause to be completed, all work recommended by said operator to correct infestations, infections or evidence thereof, to obtain a Standard Notice of Work Completed and Not Completed for Section I items only. Cost of said report and work completion to clear any recommendations is to be paid from Seller funds at the close of escrow. Any work to correct conditions deemed likely to lead to infestation or infection by wood destroying pests or organisms but where no evidence of existing infestation or infection, if found, with respect to such conditions (Section II items) shall be done only if requested by Buyer and then at the expense of Buyer.
5. **HOME WARRANTY-SELLER PAYS:** Seller agrees to purchase a Home Protection Plan from Company of Buyer's choice for the Buyer herein (the terms, conditions and legal effects of which are of no concern nor liability to Escrow Holder), IN AN AMOUNT NOT TO EXCEED \$250.00. In the event this plan is handed Escrow Holder, you are instructed to deliver same to buyer at the close of escrow. Billing for same to be paid from Seller's funds at the close of escrow.
6. **ZONE DISCLOSURE REPORT:** Seller to provide Buyer with a natural hazard zone disclosure report prior to close of escrow. In the event an invoice is presented to escrow for payment, escrow holder is instructed to pay for same from Seller's proceeds.
7. **SEPTIC CERTIFICATION:** Buyer is aware subject property is on a septic system. Seller shall furnish and pay for an inspection by a qualified inspector, and pay for pumping and/or repairs, if deemed necessary. Escrow holder is instructed to debit the account of Seller at the close of escrow, to pay for same.
8. **VESTING:** Escrow Holder is instructed to complete the vesting on the executed grant deed upon receiving written directions from all buyers herein regarding the manner of vesting. You are not required to close this escrow until such directions are received.
9. **BONDS AND/OR ASSESSMENTS:** Bonds and/or assessments of record, if any, are to be paid current from the sellers account and assumed by the buyer at the close of escrow; installments thereunder being collected with the county taxes.

MEMORANDUM ITEMS:

MATTERS OF MEMORANDUM WITH WHICH ESCROW HOLDER IS NOT TO BE CONCERNED, but are items of agreement between parties, these items are not intended to modify or supersede that original purchase contract and final acceptance DATED FEBRUARY 27, 2002 which parties have executed outside of this escrow.

10. **DUAL AGENCY:** Buyer and Seller herein acknowledge and state that they are aware that Hano's Realty is acting in a dual agent capacity by representing both Buyer and Seller in this transaction.

End of Memorandum Items.

GENERAL INSTRUCTIONS:

1. Seller is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.
- Seller is aware that interest will accrue through weekends or holidays.
- Seller is aware he/she/they are responsible for payment of all of such interest and will indemnify and hold Escrow Holder harmless in connection with the payment of such interest.
2. In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3 1/3 percent of the sales price in the case of a disposition of California real property interest by either:
- A seller who is an individual with a last known address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
 - A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10% of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

Continued on following page

EXHIBIT A

Initials: M EA

Date: March 4, 2002
Escrow No: 126820-PJ

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF
FIDELITY NATIONAL TITLE
ESCROW DIVISION

- c. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000); OR
- d. The seller executes a written certificate under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California;
OR
- e. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

THE PARTIES TO THIS TRANSACTION SHOULD SEEK THE PROFESSIONAL ADVICE AND COUNSEL OF AN ATTORNEY, ACCOUNTANT OR OTHER TAX SPECIALIST'S OPINION CONCERNING THE EFFECT OF THIS LAW ON THIS TRANSACTION AND SHOULD NOT ACT ON ANY STATEMENTS MADE OR OMITTED BY THE ESCROW OR CLOSING OFFICER.

3. Buyer acknowledges deposit of balance of funds to close escrow to be in the form of wire transfer, certified check, cashier's check or teller's check payable to Fidelity National Title Company pursuant to the "Deposit of Funds", Paragraph 1 contained in the General Provisions attached hereto and made a part hereof
4. The undersigned hereby authorize and instruct Escrow Holder to charge each party to the escrow for their respective Federal Express, special mail handling/courier and/or incoming/outgoing wire transfer fees. Unless specified in writing by the undersigned, Escrow Holder is authorized to select special mail/delivery or courier service to be used.

Wire services required by the parties herein or by their individual lenders will be charged at twenty dollars (\$20.00) per wire, incoming and outgoing.
5. You are instructed to debit Sellers account and pay Sellers usual costs and charges including but not limited to Sellers portion of the escrow fee, CLTA Policy of Title Insurance, document preparation, documentary transfer tax, and recording of reconveyance (s), if any. In the event the Buyers new loan is a FHA or VA loan, charges shall be debited to the Seller in accordance with FHA and VA regulations.
6. You are instructed to debit Buyers account and pay Buyers usual costs and charges including but not limited to Buyers portion of the escrow fee, document preparation, recording of deed(s) of trust, if any, ALTA Policy of Title Insurance, if any, and new loan charges as instructed by lender, if any. In the event the new loan is a FHA or VA loan, charges shall be debited to the Buyer in accordance with FHA and VA regulations.

THE FOREGOING INSTRUCTIONS AND THOSE "GENERAL PROVISIONS" ATTACHED HERETO AND MADE A PART HEREOF ARE APPROVED AND ACCEPTED IN THEIR ENTIRETY AS FULLY SET OUT IN THIS PARAGRAPH. EACH OF THE UNDERSIGNED BUYER(S) HEREBY AUTHORIZE ESCROW AGENT TO FURNISH COPIES OF CLOSING STATEMENTS TO LENDER AND/OR BROKER INVOLVED.

BUYER'S SIGNATURE:


Kelvin Malin


Erin Malin

MAILING ADDRESS: P.O. Box 6441, Los Angeles 90042

FORWARDING ADDRESS:

Continued on following page

initials:  

EXHIBIT A

04/25/2002 12:49 FAX 8057711928
Date: March 4, 2002
Escrow No: 126820-PJ

FIDELITY TITLE

0005

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF ORIGINAL DOCUMENT.
FIDELITY NATIONAL TITLE
ESCROW DIVISION
BY _____

I/WE HAVE RECEIVED A COPY OF THESE INSTRUCTIONS.

SELLER'S SIGNATURE:

Joanne Kann

Rex P. Erden

John Erden

Steven J. Erden

MAILING ADDRESS: _____

FORWARDING ADDRESS: _____

END OF INSTRUCTIONS.

Continued on following page

EXHIBIT A

Initials: ME gac

Date: March 4, 2002
Escrow No: 126820-PJ

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of Fidelity National Title Company, with any state or national bank, or savings and loan association (the "depository institution") and may be transferred to any other such general escrow account or accounts. The parties to this escrow acknowledge that the maintenance of such escrow accounts with some depository institutions may result in Escrow Holder's being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of Fidelity National Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

To the extent provided by law, if for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to prepare this escrow shall file notice of cancellation in your office within ten (10) days after the (2) working days thereafter, deliver one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Fidelity National Title Company, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is

Continued on following page

EXHIBIT A

Initials: 

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF ORIGINAL DOCUMENT
FIDELITY NATIONAL TITLE
ESCROW DIVISION

determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

18. ENVIRONMENTAL ISSUES

Fidelity National Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Fidelity National Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. CLARIFICATION OF DUTIES

Fidelity National Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

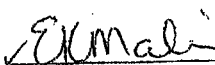
The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

FIDELITY NATIONAL TITLE COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY NO. 2597-3 ISSUED BY THE CALIFORNIA DEPARTMENT OF INSURANCE.


Kelvin Malin


Erin Malin

Joanne Kann

Rex P. Erden

John Erden

Steven J. Erden

EXHIBIT

A



Fidelity National Title Company

780 Monterey Street, Suite A • Morro Bay, CA 93442
(805) 771-1920 • FAX (805) 771-1928

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF ORIGINAL DOCUMENT.
FIDELITY NATIONAL TITLE
ESCROW DIVISION
BY

SALE ESCROW INSTRUCTIONS

Date: March 4, 2002
Escrow No.: 126820-PJ
Escrow Officer: Patty James

Buyer(s) will deposit with escrow an initial deposit in the amount of \$	2,000.00
Buyer will execute and deliver a new First conventional Deed of Trust in the amount of \$	233,600.00
Prior to the close of escrow, Buyer will hand you the balance of down payment (plus closing costs, if applicable) the sum of \$	56,400.00
TOTAL CONSIDERATION \$	292,000.00

AND, on or before April 1, 2002, Escrow Holder will be handed additional funds and/or instruments required to enable Escrow Holder to comply with these instructions, which Escrow Holder is instructed to use when in a position to procure/issue a ALTA Homeowner's Policy (10/17/98) coverage form Policy of Title Insurance from Fidelity National Title Insurance Company with a liability of \$292,000.00, covering the following described property located in the County of San Luis Obispo, State of California:

Lots 29 and 30 in Block 43 of the Town of El Moro, in the County of San Luis Obispo, State of California, according to Map thereof recorded in Book 4, Page 80 of Maps in the office of the County Recorder of said County.

SELLER/TRANSFEROR STATES THAT PROPERTY ADDRESS IS:
1278 12th Street, Los Osos, CA 93402

SHOWING TITLE VESTED IN:
Kelvin Malin and Erin Malin, Husband and Wife

FREE FROM ENCUMBRANCES EXCEPT:

1. Current general and special taxes for the fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions restrictions, reservations, easements and rights of way now of record, if any;
5. A First Deed of Trust, to record, securing a note in the amount of \$233,600.00 in favor of a lender of Buyer's choice to be determined during escrow.

PRORATIONS:

Prorate as of Close of Escrow, on the basis of a 30 day month:
- Taxes

CONSUMMATION of this escrow is CONTINGENT UPON THE FOLLOWING:

1. **NEW LOAN:** Buyer obtaining and property qualifying for a new conventional First trust deed loan securing a note in the amount of \$233,600.00 in favor of lender of buyer's choice. Said loan to be at the best prevailing rate and terms. Buyer's signature on lender's documents shall be deemed their approval and acceptance of the terms and conditions of said new loan and Escrow Holder's authorization to comply with lender's requirements.
2. **INSURANCE:** Buyer agrees to provide new hazard insurance policy acceptable to lender and to pay premium for same prior to the close of escrow.
3. **PRELIMINARY REPORT APPROVAL:** The closing of this escrow is contingent upon the Buyer's approval of the preliminary report issued by Fidelity National Title Company dated February 22, 2002, including Covenants, Conditions and Restrictions, if any, on subject property, within 14 days from Buyer's receipt thereof. Such approval to be given to Escrow Holder in writing.

ADDITIONAL INSTRUCTIONS:

Continued on following page

EXHIBIT A

Initials

Date: March 4, 2002
Escrow No: 126820-PJ

4. **TERMITE CLAUSE-SELLER PAY SECTION I ITEMS ONLY:** Seller will furnish to Buyer at Seller's expense, a current Structural Pest Control Inspection Report from KEY TERMITE COMPANY, a licensed structural pest control operator, DATED MAY 25, 2001, covering all visible and accessible area of the subject property. Seller will further at Seller expense and payee to be A (FROM ALL) completed, all work recommended by said operator to correct infestations, infections or evidence thereof, to obtain a Standard Notice of Work Completed and Not Completed for Section I items only. Cost of said report and work completion to clear any recommendations is to be paid from Seller funds at the close of escrow. Any work to correct conditions deemed likely to lead to infestation or infection by wood destroying pests or organisms but where no evidence of existing infestation or infection, if found, with respect to such conditions (Section II items) shall be done only if requested by Buyer and then at the expense of Buyer.
5. **HOME WARRANTY-SELLER PAYS:** Seller agrees to purchase a Home Protection Plan from Company of Buyer's choice for the Buyer herein (the terms, conditions and legal effects of which are of no concern nor liability to Escrow Holder), IN AN AMOUNT NOT TO EXCEED \$250.00. In the event this plan is handed Escrow Holder, you are instructed to deliver same to buyer at the close of escrow. Billing for same to be paid from Seller's funds at the close of escrow.
6. **ZONE DISCLOSURE REPORT:** Seller to provide Buyer with a natural hazard zone disclosure report prior to close of escrow. In the event an invoice is presented to escrow for payment, escrow holder is instructed to pay for same from Seller's proceeds.
7. **SEPTIC CERTIFICATION:** Buyer is aware subject property is on a septic system. Seller shall furnish and pay for an inspection by a qualified inspector, and pay for pumping and/or repairs, if deemed necessary. Escrow holder is instructed to debit the account of Seller at the close of escrow, to pay for same.
8. **VESTING:** Escrow Holder is instructed to complete the vesting on the executed grant deed upon receiving written directions from all buyers herein regarding the manner of vesting. You are not required to close this escrow until such directions are received.
9. **BONDS AND/OR ASSESSMENTS:** Bonds and/or assessments of record, if any, are to be paid current from the sellers account and assumed by the buyer at the close of escrow; installments thereunder being collected with the county taxes.

MEMORANDUM ITEMS:

MATTERS OF MEMORANDUM WITH WHICH ESCROW HOLDER IS NOT TO BE CONCERNED, but are items of agreement between parties, these items are not intended to modify or supersede that original purchase contract and final acceptance DATED FEBRUARY 27, 2002 which parties have executed outside of this escrow.

10. **DUAL AGENCY:** Buyer and Seller herein acknowledge and state that they are aware that Hano's Realty is acting in a dual agent capacity by representing both Buyer and Seller in this transaction.

End of Memorandum Items.

GENERAL INSTRUCTIONS:

1. Seller is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.

Seller is aware that interest will accrue through weekends or holidays.

Seller is aware he/she/they are responsible for payment of all of such interest and will indemnify and hold Escrow Holder harmless in connection with the payment of such interest.

2. In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3 1/3 percent of the sales price in the case of a disposition of California real property interest by either:

- A seller who is an individual with a last known address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
- A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10% of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

Continued on following page

EXHIBIT A

Initials: 

Date: March 4, 2002
Escrow No: 126820-PJ

- THE PARTIES TO THIS TRANSACTION SHOULD SEEK THE PROFESSIONAL ADVICE AND COUNSEL OF AN ATTORNEY, ACCOUNTANT OR OTHER TAX SPECIALIST'S OPINION CONCERNING THE EFFECT OF THIS LAW ON THIS TRANSACTION AND SHOULD NOT ACT ON ANY STATEMENTS MADE OR OMITTED BY THE ESCROW OR CLOSING OFFICER.
- c. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000); OR
- d. The seller executes a written certificate under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
- e. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

THE PARTIES TO THIS TRANSACTION SHOULD SEEK THE PROFESSIONAL ADVICE AND COUNSEL OF AN ATTORNEY, ACCOUNTANT OR OTHER TAX SPECIALIST'S OPINION CONCERNING THE EFFECT OF THIS LAW ON THIS TRANSACTION AND SHOULD NOT ACT ON ANY STATEMENTS MADE OR OMITTED BY THE ESCROW OR CLOSING OFFICER.

3. Buyer acknowledges deposit of balance of funds to close escrow to be in the form of wire transfer, certified check, cashier's check or teller's check payable to Fidelity National Title Company pursuant to the "Deposit of Funds", Paragraph 1 contained in the General Provisions attached hereto and made a part hereof
4. The undersigned hereby authorize and instruct Escrow Holder to charge each party to the escrow for their respective Federal Express, special mail handling/courier and/or incoming/outgoing wire transfer fees. Unless specified in writing by the undersigned, Escrow Holder is authorized to select special mail/delivery or courier service to be used.

Wire services required by the parties herein or by their individual lenders will be charged at twenty dollars (\$20.00) per wire, incoming and outgoing.

5. You are instructed to debit Sellers account and pay Sellers usual costs and charges including but not limited to Sellers portion of the escrow fee, CLTA Policy of Title Insurance, document preparation, documentary transfer tax, and recording of reconveyance (s), if any. In the event the Buyers new loan is a FHA or VA loan, charges shall be debited to the Seller in accordance with FHA and VA regulations.
6. You are instructed to debit Buyers account and pay Buyers usual costs and charges including but not limited to Buyers portion of the escrow fee, document preparation, recording of deed(s) of trust, if any, ALTA Policy of Title Insurance, if any, and new loan charges as instructed by lender, if any. In the event the new loan is a FHA or VA loan, charges shall be debited to the Buyer in accordance with FHA and VA regulations.

THE FOREGOING INSTRUCTIONS AND THOSE "GENERAL PROVISIONS" ATTACHED HERETO AND MADE A PART HEREOF ARE APPROVED AND ACCEPTED IN THEIR ENTIRETY AS FULLY SET OUT IN THIS PARAGRAPH. EACH OF THE UNDERSIGNED BUYER(S) HEREBY AUTHORIZE ESCROW AGENT TO FURNISH COPIES OF CLOSING STATEMENTS TO LENDER AND/OR BROKER INVOLVED.

BUYER'S SIGNATURE:

Kelvin Malin

Erin Malin

MAILING ADDRESS:

FORWARDING ADDRESS:

Continued on following page


EXHIBIT A

Initials

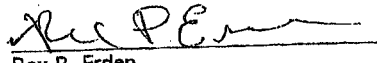
Date: March 4, 2002
Escrow No: 126820-PJ

I/WE HAVE RECEIVED A COPY OF THESE INSTRUCTIONS.

SELLER'S SIGNATURE:


Joanne Karth


John Erden


Rex P. Erden


Steven J. Erden

MAILING ADDRESS:

FORWARDING ADDRESS: /

END OF INSTRUCTIONS.

THIS CERTIFIES THAT THE ABOVE IS AN
EXACT COPY OF ORIGINAL INSTRUMENTS AND
FIDELITY NATIONAL TITLE
ESCROW DIVISION

Continued on following page

EXHIBIT A


Initials

Date: March 4, 2002
Escrow No: 126820-PJ

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub-escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of Fidelity National Title Company, with any state or national bank, or savings and loan association (the "depository institution") and may be transferred to any other such general escrow account or accounts. The parties to this escrow acknowledge that the maintenance of such escrow accounts with some depository institutions may result in Escrow Holder's being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of Fidelity National Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

To the extent provided by law, if for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

THIS CERTIFICATE OF ESCROW IS A PUBLIC RECORD. Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver one copy of such notice to each of the other principals to the addresses stated in this escrow. UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Fidelity National Title Company, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is

Continued on following page

EXHIBIT A

Initials: 

Date: March 4, 2002
Escrow No: 126820-PJ

determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

18. ENVIRONMENTAL ISSUES

Fidelity National Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Fidelity National Title Company is released of any responsibility and/or liability in connection therewith.

THIS CERTIFICATE USURY
DIRECT COPY OF THE
FIDELITY NATIONAL TITLE
ESCROW DIVISION FILE DOCUMENT.
BY

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. CLARIFICATION OF DUTIES

Fidelity National Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow instructions executed by all parties.


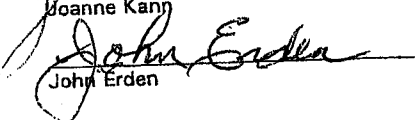
THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

FIDELITY NATIONAL TITLE COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY NO. 2597-3 ISSUED BY THE CALIFORNIA DEPARTMENT OF INSURANCE.

Kelvin Malin

Erin Malin


Joanne Kann

John Erden


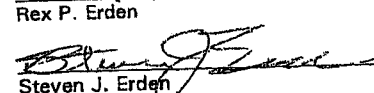

Rex P. Erden

Steven J. Erden

EXHIBIT A



Fidelity National Title Company

780 Monterey Street, Suite A
(805) 771-1920 • FAX (805) 771-1928

THIS CERTIFIES THAT THIS IS A TRUE AND
EXACT COPY OF ORIGINAL DOCUMENT.
FIDELITY NATIONAL TITLE
BY MORRO DIVISION

APR 17 2002
RECORDED
FIDELITY

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Fidelity National Title Company
Date: April 17, 2002
Escrow No: 126820-PJ
Property Address: 1278 Twelfth Street, Los Osos, CA 93402

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars only:

CONTINGENT UPON BANKRUPTCY APPROVAL: This sale is contingent upon approval by United States Bankruptcy Court, Central District of California, Northern Division in Chapter 11, Case No. ND0112335-RR. This contingency shall be deemed satisfied upon escrow holder's receipt of Order Authorizing Sale for recordation.

All other terms and conditions remain the same.

Kelvin Malin and Erin Malin, Trustees of the Kelvin and Erin Malin Revocable Trust dated March 6, 2002

By: _____
Kelvin C. Malin, Trustee

By: _____
Erin K. Malin, Trustee

Joanne Kahn

John Erden

Rex P. Erden

Steven J. Erden

EXHIBIT A

EXHIBIT B: SUMMARY OF TERMS AND CONDITIONS OF PROPOSED SALE

<u>PURCHASER</u>	Malin and Erin Kelvin, Husband and Wife
<u>PRICE</u>	\$292,000.00
<u>PROPERTY</u>	<p>Residential real property, which debtor holds a 25% fee interest, located at 1278 12th Street, Los Osos, California, more particularly known as:</p> <p>Lots 29 and 30 in Block 43 of the Town of El Moro, in the County of San Luis Obispo, State of California, according to map filed for record in Book A, Page 80 of Maps, in the office of the County Recorder of said County.</p> <p>Assessor's Parcel No: 038-151-024</p>
<u>CONTINGENCIES</u>	Contingencies which are typical of sales of this type are set forth in the Escrow Instructions appended as Exhibit B to the supporting declaration. This sale is expressly contingent upon U.S. Bankruptcy Court approval.
<u>DEPOSITS</u>	Buyers' deposit of \$2,000 was paid into Escrow No. 126820-PJ with Fidelity National Title Company, Morro Bay, CA. Prior to close, Buyers will pay the remainder of the down payment, plus closing costs, if applicable, in the sum of \$56,400.00 and execute and deliver a new First conventional Deed of Trust in the amount of \$233,600.00.
<u>COSTS, FEES</u>	Costs and fees will be allocated between Seller and Buyers in the usual and customary manner typically followed in San Luis Obispo County, California.
<u>CLOSING DATE</u>	On or immediately following entry of a final

EXHIBIT B

Order of the Court authorizing the sale.

REAL ESTATE
COMMISSIONS

\$14,600.00 payable upon close of escrow to Hano's Real Estate (agent Esther Susoeff, "Broker"), 1099 Los Osos Valley Road, Los Osos, CA 93402. The Court approved employment of Broker on March 29, 2002.

UNDISPUTED
LIENS

Guarantee Savings and Mid-State Bank

DISPUTED
LIENS

Judgment lien held by James F. George and recorded on June 6, 2001, as Document No. 2001-040590.

DISBURSEMENTS

After payment of costs of sale, prorations, sales commission to Broker and undisputed liens, all remaining proceeds will be impounded pending further order of Court.

EXHIBIT C:

PROCEDURES FOR HIGHER AND BETTER BIDS

The following procedures shall apply to this sale:

The Court will call the proposed sale at the captioned time and location. The Court or counsel for the trustee will inform interested parties of the terms and conditions and the procedures to be followed in bidding. Thereafter, bidding will be conducted by the Court or counsel for the debtor in the courtroom or, if appropriate, outside the courtroom following a temporary adjournment.

After all bids have been received, counsel for the debtor will submit to the Court his recommendations for final approval.

Interested bidders should pre-qualify by submitting to the debtor's counsel, at least one day before the sale, reasonable financial information and proof of ability to successfully complete the purchase in a timely manner.

The opening bid will be the noticed offer as described in the Motion. The minimum upset bid must be \$5,000 more than the opening bid. Thereafter bids will be received in increments of at least \$1,000, each.

Offers made during the overbid process should not materially deviate from the noticed offer.